### STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 19<sup>th</sup> day of December, 2024.

The Manager of the Manufactured Homes and Modular Units Program of the Missouri Public Service Commission,	) ) )
Complainant,	) ) ) File No. MC-2025-0133
V.	) <u>- 110 Norme 2020 0100</u>
Russel V. Hanson, d/b/a Countryside Modular Homes, LLC,	) )
Respondent.	)

# ORDER OF DEFAULT

Issue Date: December 19, 2024 Effective Date: January 18, 2025

On October 10, 2024,<sup>1</sup> the Manager of the Manufactured Homes and Modular Units Program of the Missouri Public Service Commission (Manager) filed a complaint (Complaint) with the Commission against Russel V. Hanson, d/b/a Countryside Modular Homes, LLC (Respondent). The Complaint is attached to this order and alleges in four counts the following:

 that Respondent failed to properly anchor new manufactured homes contrary to Sections 700.065 and 700.076, RSMo (2016)<sup>2</sup>;

<sup>&</sup>lt;sup>1</sup> All dates refer to 2024 unless otherwise stated.

<sup>&</sup>lt;sup>2</sup> All statutory reference are to 2016 unless otherwise stated.

- that Respondent failed to comply with installation code contrary to Section 700.015, RSMo;
- that Respondent failed to place installation decals on homes contrary to Section 700.683.3, RSMo; and
- that Respondent failed to correct defects within 90 days contrary to Section 700.045.5, RSMo.

The Complaint requested the Commission order Respondent to pay all No Decal Placed Invoices due and owing to the Commission in the total amount of \$2,800. The Complaint requested the Commission order Respondent to pay all Re-Inspection Invoices due and owing to the Commission, also in the total amount of \$2,800. The Complaint requested that the Commission authorize its General Counsel to pursue a penalty action in Circuit Court against Respondent.

Lastly, the Complaint requested that this matter be referred to the appropriate county prosecutor, as the homes at issue are located in either Buchanan County or Mercer County. The Complaint seeks prosecution of any and all crimes committed by Respondent, including, but not limited to violations of Section 700.045, RSMo, which deems it a misdemeanor to fail to correct code violations identified by the Manufactured Homes and Modular Units Program within 90 days.

On October 11, the Commission issued a *Notice of Complaint and Order Directing Answer* (Notice). The Notice directed Respondent to file an answer to the Complaint no later than November 12. The Notice stated that pursuant to Commission Rule,<sup>3</sup> failure to

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<sup>&</sup>lt;sup>3</sup> 20 CSR 4240-2.070(8), (9), and (10).

answer the Complaint risked the allegations being deemed admitted and the Commission issuing a default order. Respondent did not file an answer to the Complaint.

On November 22, the Commission issued an *Order Directing Respondent to Show Cause Why an Order Granting Default Should Not be Issued* (Order). The Order stated that it would provide Respondent an opportunity to explain why it did not file an answer to the Complaint before granting default. The Order directed Respondent to file a pleading no later than December 2 stating good cause for the failure to timely file an answer. Respondent did not file a response to the Order.

Pursuant to Commission Rule 20 CSR 4240-2.070(10), if Respondent in a complaint case fails to file an answer within the time period allowed, the Commission may deem the allegations of the Complaint as admitted and enter an order granting default. The Commission finds that Respondent has not filed an answer to the Complaint as directed, and is therefore in default. All allegations in the Complaint are deemed admitted by Respondent.

### DISCUSSION

The Commission finds that Respondent has violated Missouri statutes and Commission regulations and rules as set forth in the Complaint, and will be ordered to cure each and every deficiency noted in the Complaint. Specifically, the Commission finds the Respondent:

- Violated Sections 700.065 and 700.076, RSMo, for failure to properly anchor the homes, which is subject to penalties pursuant to Section 700.115, RSMo;
- Violated Section 700.015, RSMo, for failure to comply with the code, which is subject to penalties pursuant to Section 700.115, RSMo;

- Violated Section 700.683, RSMo, for failure to place installation decals on homes, which is subject to penalties pursuant to Section 700.115, RSMo and is a misdemeanor to be referred to a prosecutor pursuant to Section 700.045, RSMo;
- Violated Section 700.045, RSMo, for failure to correct deficiencies within 90 days of being identified in an inspection, which is subject to penalties pursuant to Section 700.115, RSMo and is a misdemeanor to be referred to a prosecutor pursuant to Section 700.045, RSMo;
- Failed to correct deficiencies ordered by the Manufactured Homes and Modular Units Program, and if the deficiencies are not cured as directed in this order, is subject to penalties pursuant to Section 386.570, RSMo, for failure to comply with a Commission order;
- Failed to pay Re-Inspection Invoice fees as invoiced, and if the fees are not paid before January 21, 2025, as directed in this order, is subject to penalties pursuant to Section 386.570, RSMo, as a violation of the Commission's order to pay; and
- Failed to pay No-Decal Placed Invoice fees as invoiced, and if the fees are not paid before January 21, 2025, as directed in this order, is subject to penalties pursuant to Section 386.570, RSMo, as a violation of the Commission's order to pay.

Section 700.115.2, RSMo, authorizes the Commission, after hearing<sup>4</sup> and a finding of a violation of Chapter 700, RSMo, to direct its General Counsel to seek civil penalties by petition in the Circuit Court, with the penalty being set at no more than \$1,000 for each violation. The statute also notes that each violation shall constitute a separate violation, and states that the maximum civil penalty may not exceed one million dollars in certain circumstances.

Penalties are also at risk in instances of a failure to comply with Commission orders pursuant to Section 386.570, RSMo. Additionally, the Commission is authorized to file an

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<sup>&</sup>lt;sup>4</sup> The requirement for a hearing is met when the opportunity for a hearing has been provided. See *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App. 1989).

action to recover penalties for such violations under Section 386.600, RSMo. Therefore, the Commission finds that Respondent may be subject to penalties and will authorize its General Counsel to seek in Circuit Court the civil penalties authorized by law. The Commission will also refer this matter to the appropriate county prosecutor for prosecution, at the prosecutor's discretion, of any and all crimes committed by Respondent.

The Respondent has seven days from the issue date of this order to file a motion stating good cause to set aside this order of default and extend the filing date of the answer.<sup>5</sup> As the issue date is December 19, Respondent has until December 26 to file a motion to set aside the order of default and file an answer to the complaint.

### THE COMMISSION ORDERS THAT:

- 1. The Respondent is in default and all allegations set forth in the Complaint are deemed admitted by Respondent.
- 2. Respondent shall cure each and every deficiency noted in the most recent Site Inspection Report for each of the homes listed in the Complaint, specifically, the Pruitt Home, all 13 Legacy Homes listed, namely File Nos. 24-000053 to 24-000063, Lot #164 (File #24-000319), and Lot #187 (File #24-000320), and to bring each such home into compliance with all applicable codes, statutes, and regulations.
- 3. No later than January 21, 2025, Respondent shall pay all No Decal Placed Invoices due and owing to the Commission in the total amount of \$2,800.00.
- 4. No later than January 21, 2025, Respondent shall pay all Re-Inspection Invoices due and owing to the Commission in the total amount of \$ 2,800.00.

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<sup>&</sup>lt;sup>5</sup> 20 CSR 4240-2.070(10).

5. The Commission's General Counsel is authorized to bring an action in the Circuit Court to seek civil penalties.

6. The Commission's General Counsel shall refer this matter to the appropriate prosecuting attorneys for such action as that office shall deem appropriate.

7. Respondent may move to set aside this order of default no later than December 26, 2024.

8. This order shall be effective on January 18, 2025.

9. In accordance with Commission Rule 20 CSR 4240-2.070(14), the Commission notifies the parties that this order will be final unless an application for rehearing is filed before the effective date of this order, January 18, 2025. An application for rehearing must be timely filed in order to preserve the right to seek judicial review of a Commission decision pursuant to Section 386.500, RSMo. If the Commission denies the application for rehearing, the parties then have 30 days to file an appeal with the court of appeals pursuant to Section 386.510, RSMo.

Applications for rehearing before the Commission are governed by 20 CSR 4240-2.160 and Section 386.500, RSMo. Applications for rehearing may be filed through the Commission's electronic filing and information system (EFIS) or by mail to:

Secretary
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

EFIS may be accessed from the Commission's website, https://psc.mo.gov.

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# BY THE COMMISSION

Nancy Dippell

Nancy Dippell Secretary

Hahn, Ch., Coleman, Holsman Kolkmeyer, and Mitchell CC., concur.

Hatcher, Senior Regulatory Law Judge

## STATE OF MISSOURI

### OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 19<sup>th</sup> day of December 2024.

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Nancy Dippell Secretary

# MISSOURI PUBLIC SERVICE COMMISSION December 19, 2024

File/Case No. MC-2025-0133

**MO PSC Staff** 

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Office of the Public Counsel (OPC)

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**Countryside Modular Homes** LLC

Russel Hanson 4469 S. Highway 33 Maysville, MO 64469-9075 russel.hanson@hhresolutions.com

**MO PSC Staff** 

Carolyn Kerr 200 Madison Street Jefferson City, MO 65101 carolyn.kerr@psc.mo.gov

Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,

Secretary

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.